

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami.

HERALD INTERNATIONAL Tribune

No. 32,225 40/86 PARIS, TUESDAY, SEPTEMBER 30, 1986 ESTABLISHED 1887

Jaruzelski, in China, Meets Deng and Hu To Mend Party Rift

By Jim Mann. Leaders of the Chinese Communist Party met face-to-face with a Communist party chief from a staunch Soviet ally Monday for the first time in more than a quarter-century.

Reagan Gives Counteroffer On Sanctions

WASHINGTON — President Ronald Reagan, seeking to avert a congressional reversal of his South Africa policy, offered Monday to invoke new — but limited — sanctions against the white-minority government in Pretoria.

French TV Cameraman Abducted in West Beirut

BEIRUT — A French television cameraman was kidnapped Sunday in West Beirut, the French Embassy said Monday.

In Egypt, Fundamentalists' Institutions Are Rivaling the State's

By John Kifner. "Islam is growing stronger," chanted the tiny girl with the microphone, a fifth grader in pigtails and a green school uniform.

Senate Foes of Speed Limit Shift Into High, Leaving 55 mph in the Dust

WASHINGTON — Once in a while, Congress passes a law that demonstrably works. Such a law was the 55-mph speed limit, adopted in 1974 at the height of the energy crisis with the goal of reducing gasoline consumption.

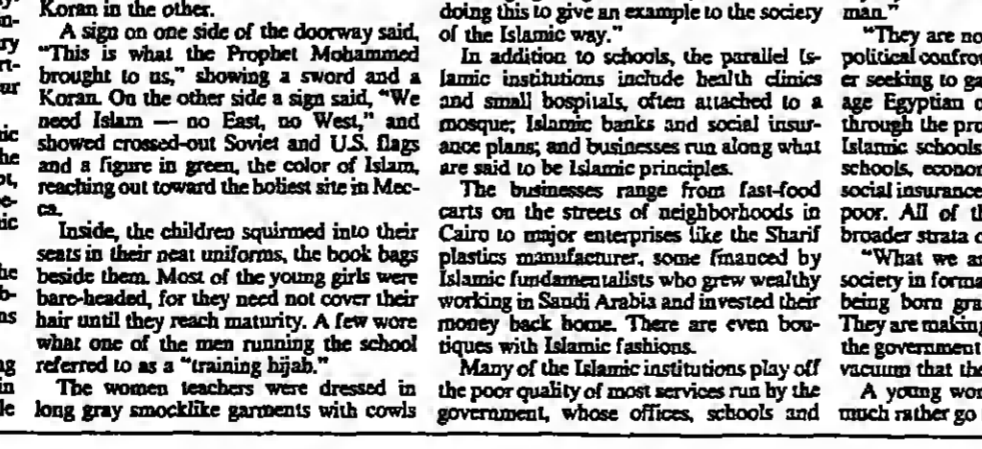


Nicholas Daniloff waved to well-wishers Monday as he arrived at an airport in Frankfurt. With him were his wife, Ruth, and Richard R. Burt, U.S. ambassador to West Germany.

Senior Army Officer Is Assassinated In Feud Among Lebanese Christians

By Ihsan A. Hijazi. BEIRUT — A senior army officer was assassinated Monday in Christian East Beirut as tension grew between regular troops loyal to President Amin Gemayel and extremist Christian militiamen.

French TV Cameraman Abducted in West Beirut



Jean-Marc Sroussi, a French cameraman, who the French Embassy said was kidnapped Sunday in West Beirut.

Soviet Frees Daniloff After Intensive Talks; Reagan Denies a Trade

MOSCOW — Nicholas Daniloff left Moscow for West Germany on Monday, nearly a month after Soviet security police arrested him on espionage charges.

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INSIDE: Ned Kinnock and Britain's Labor Party confirmed the expulsion of eight leftists. Page 4.

GENERAL NEWS: Israel charged John Demjanjuk with war crimes at the Treblinka death camp. Page 2.

BUSINESS/FINANCE: The dollar shed 3 pence in the U.S. and the pound fell to a record low in Europe. Page 11.

LEGAL SERVICES: GATSON & GIBSON, 1000 G Street, N.W., Washington, D.C. 20002.

HOTELS: SWITZERLAND: THE GRAND HOTEL, 1000 G Street, N.W., Washington, D.C. 20002.

COLLEGES & UNIVERSITIES: ENGLISH: UNIVERSITY OF CALIFORNIA, 1000 G Street, N.W., Washington, D.C. 20002.

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Labor Party In Britain Upholds Ban On 8 Leftists

BLACKPOOL, England — Britain's opposition Labor Party confirmed the expulsion of eight extreme leftists on Monday, underscoring the more moderate stance that the party's leader, Neil Kinnock, hopes will win him the next elections.



Derek Hatton, left, and Tony Mulhearn, a fellow member of the Militant Tendency, after leaving the conference.

Paisley Deputy Begins to Vie With Him for Limelight

By Robert O'Connor International Herald Tribune DUBLIN — For the last decade and a half, the Reverend Ian Paisley has been the best-known political figure in Northern Ireland.



Peter Robinson, right, with Ian Paisley, outside the court in Dundalk where he appeared in August to answer charges.

To the less affluent members of the province's Protestant community, small farmers and urban workers, he is one politician who will never abandon them.

sacrifice almost anything on the altar of his own ambitions.

Recent protest by Protestants has been spurred by last November's Anglo-Irish Agreement, which gave the Irish Republic a consultative role in running Ulster.

Irish Agreement has brought Ulster's two main Protestant-supported Unionist parties together in uneasy cooperation.

The Official Unionist Party draws its major backing from the Protestant business class. It is conservative on economic issues, tolerant on social issues and uncomfortable with marches and demonstrations.

Ozal Suffers a Setback As Turkish Right Gains

ANKARA — Results of Turkish by-elections showed a shift to the right Monday, representing a boost for former Prime Minister Suleyman Demirel and a slight setback for Turgut Ozal, the current head of government.

according to unofficial counts after 98.3 percent of the ballot boxes had been opened.



Suleyman Demirel

Study Faults U.S. on Terrorism Plans

WASHINGTON — Bureaucratic infighting and the inability of American leaders and agencies to understand unconventional warfare are leaving the United States unprepared to deal with terrorism and guerrilla conflicts, a Pentagon study says.

organization of the special forces, the Pentagon study said.

Freemason Lodge In Brussels Hit by Bomb Explosion

BRUSSELS — A bomb exploded early Monday outside the offices of the main Freemasons' lodge in Brussels, slightly injuring one person and causing extensive damage.

Solidarity Concludes Strategy Talks

GDANSK, Poland — The national leadership of the banned Solidarity trade union completed strategy talks Monday following a government amnesty for political prisoners.

the union's future tactics, were concerned that microphones might have been hidden in Father Janowski's home, enabling security police to monitor their discussions.

Amnesty Group Assails U.K. Over Killings in Ulster

LONDON — Amnesty International accused the British government Monday of having failed to properly investigate charges that the Northern Irish police had deliberately killed unarmed civilians suspected of being members of the IRA.

Oil & Money in the Eighties. An International Herald Tribune Oil Daily Conference, London October 23-24, 1986. The third era will be the theme of the seventh International Herald Tribune Oil Daily conference. This year's program will focus on the collapse of oil prices in 1986 and assess the future outlook for the oil industry.

Vertical text on the far right edge of the page, including 'Rebels Seek To Conclude Cease-Fire. Manila Says', 'Opposition Defies Law and...', 'Always be recognized', and 'Johnnie W. Recognised for good'.

Table with columns for 'ESCORTS & GUIDES' and 'INTERNATIONAL CLASSIFIED'. Lists various cities like London, Amsterdam, Zurich, etc., and provides contact information for travel agencies.

# Rebels Seek To Conclude Cease-Fire, Manila Says

MANILA — Rebel representatives have called for a meeting with the Philippine government to conclude a cease-fire in the 17-year Communist insurgency, a government negotiator said Monday.



Ramon Mitra

Agriculture Minister Ramon Mitra, a government representative at the talks, said: "They are asking for a meeting either today or tomorrow or as soon as possible. I think there is a meeting of the minds. The differences are on details which are not really that important."

Mr. Mitra's announcement followed reports of an offer over the weekend by the National Democratic Front, a leftist organization dominated by the Communists, for a conditional cease-fire of 30 days or more. The Front represents the New People's Army, the military arm of the Communists, in the talks.

Mr. Mitra said, "I am very optimistic that we will come up with an agreement when we meet again." He said a cease-fire would take effect "at midnight on the day it is signed."

Mr. Mitra is one of three government representatives at talks with the rebels, which have been held since early August.

Earlier this month two Communist negotiators, Saturnino Ocampo and Antonio Zimel, rejected a government proposal for an immediate 30-day cease-fire, saying it lacked important safeguards.

They reportedly offered a counterproposal shortly after President Corason C. Aquino returned from a visit to the United States, where he said he would take strong measures against the Communists if they continued to resist peace initiatives.

Defense Minister Juan Ponce Enrile, who has expressed reservations about the government's peace overtures, said Monday that he

hoped for a peaceful settlement. But he added: "We cannot relax our guard, cannot lower our vigilance or lessen our preparedness."

Meanwhile, a prosecutor said that General Ferdinand C. Ver, the former Philippine armed forces commander, would not be charged for the moment in connection with the assassination of Mrs. Aquino's husband, Benigno S. Aquino Jr., because his return from the United States could provoke the military.

General Ver and 25 other men were cleared in December of involvement in the August 1983 murder of Mr. Aquino, but the Supreme Court has ordered a new trial. It said the previous trial had been invalid because former President Ferdinand E. Marcos put pressure on the court to acquit the defendants.

Prosecutor Raul Gonzales said Monday that he would not charge General Ver, who went into exile in Hawaii in February when a civil-military-backed military mutiny ended Mr. Marcos' 20-year rule. Mr. Gonzales said a formal charge would provide General Ver with a reason to return to Manila.

"The moment you indict him you cannot deny him his right to confront witnesses," Mr. Gonzales said. "I think there is still restlessness in the armed forces, and the return of General Ver could offer grounds for mischief."

He said General Ver could be charged at a later date.

# Malaysian Leader Cutting Off Political, Ethnic Dissent, Foes Say

By Barbara Crossette  
New York Times Service

KUALA LUMPUR, Malaysia — In August, a few days after Prime Minister Mahathir bin Mohamad was returned to office by a large majority, Tan Seng Giaw, a member of Parliament, was invited by students at the National University of Malaysia to take part in a forum on the election.

Mr. Tan, a prominent physician, is a leader of the largest political opposition group, the Democratic Action Party. He went to the campus but was not allowed to speak.

"I was stopped before going into the lecture hall," he said. "The university officials who stopped me did not give the students an explanation." The incident was not reported in the government-controlled press.

Since the election, Mr. Tan said, "the mass media are going to town to suppress our names, our views."

For the Mahathir government, Mr. Tan symbolizes the two constituencies most threatening to its political position. The Democratic Action Party, of which Mr. Tan is national vice chairman, is campaigning for

liberalization of an increasingly closed political system dominated by Islamic Malays. He is also an ethnic Chinese, and it was Chinese

Unlike Indonesia and Singapore, which have made great efforts to blur ethnic divisions and prevent polarization, Malaysia, many Chinese say, has begun an opposite trend.

voters, apparently unhappy with what they saw as a continuing constriction of their role in Malaysia, who deserted the Chinese parties within Mr. Mahathir's National Front. This increased Democratic Action Party seats in the 177-seat Parliament from 10 to 24.

On Monday, Mr. Mahathir was to address the United Nations General Assembly, and he was expected to raise several international issues, among them what he sees as the West's inaction on apartheid.

But Mr. Tan, alluding to exclusionary policies in Malaysia, said, "Mahathir is silly to speak about apartheid, because that can be turned against him."

Malaysia's ethnic Chinese, about one-third of the country's 16 million people, are constitutionally barred from heading the government. And they cannot marry Malays, who make up 47 percent of the population, without converting to Islam, the national religion.

Although most of them were born in Malaysia, the Chinese are effectively excluded from a wide range of jobs and government programs under a 15-year-old economic policy designed to raise the income levels and equity ownership of Malays and other indigenous people.

Unlike neighboring Indonesia and Singapore, which have made great efforts to blur ethnic divisions and prevent racial or religious polarization, Malaysia under Mr. Mahathir, many Chinese say, has begun an

opposite trend through its promotion of Malay language and culture.

Mr. Tan said the message many Chinese got from speeches at the recent annual conference of Mr. Mahathir's party, the United Malays National Organization, was "This is our country — the Malay country. You are foreigners."

"A Malay is not a Malay in the context of a Malay society unless he or she is a Muslim," Mr. Tan said. "This is the only nation I know of where religion and race are inseparable."

Michael Ong, a political scientist at the National University, said one effect of the promotion of Malay culture was that Chinese — Buddhists, Taoists, Christians or Confucianists — who had least contact with their traditions in the country's rapid modernization process, had begun celebrating the festivals of their immigrant ancestors.

Cultural leaders of the ethnic Indians, the next largest group after the Chinese, say a similar development has appeared in their temples. Classical dance and music classes are overcrowded; the young are rediscovering Hinduism.

# A Chinese Defector in U.S. Is Suing Beijing's Party Newspaper for Libel

By Lena H. Sun  
Washington Post Service

WASHINGTON — A former Chinese surgeon living in the United States is suing People's Daily, the Chinese Communist Party newspaper, for libel.

The suit has been brought by Wang Bingzhang, who founded and publishes China Spring, a New York-based Chinese-language magazine that promotes political and economic change in China, and two other members of his organization.

It is the first time that People's Daily has faced a libel suit in the United States, according to lawyers involved in the case.

Mr. Wang, a lung surgeon in China, defected four years ago. The case involves a 1984 article naming Mr. Wang and others in his group as "political prostitutes."

The suit, pending in Superior Court here, has become potentially embarrassing for Beijing.

According to State Department officials, it has turned into an "annoying problem" in U.S.-Chinese relations.

Robert Ackerman, Mr. Wang's lawyer, contends that despite the

party's dominant role in China, the party and the government are separate entities and that the law does not apply to a foreign party.

To say that the party is a "political subdivision" of the government of China is 180 degrees opposite to the facts of Chinese life," Mr. Ackerman wrote.

The suit alleges that the defendants defamed Mr. Wang and two other activists in his group, Bell Wong, a Virginia restaurateur, and Lun Wong, a San Francisco banquet manager. The article in question appeared in the People's Daily published in China and was distributed in Washington on Dec. 13, 1984.

The article asserted that Jiang Nan, the pen name of Henry Liu, a well-known Chinese-American writer, had referred to Mr. Wang and the others as "swindlers who used patriotism as a pretext to racketeer overseas Chinese so as to feather their own nest," and as "hypocrites who deserted their mainland wives and children in order to look for new lovers."

"Henry Liu never wrote those articles. People's Daily lied," Mr. Wang said. "Most Chinese people never trust the People's Daily. It is just a tool of the party."

Mr. Liu was murdered in San Francisco two years ago. Several Taiwanese citizens, including Taiwan's former chief of military intelligence, were convicted in Taiwan and received prison terms.

# Taiwan Opposition, in Surprise Move, Defies Law and Forms Electoral Party

TAIPEI — The Taiwan opposition has challenged the ruling Kuomintang, or Nationalist Party, by defying martial law and setting up a party to contest elections later this year.

The formation on Sunday of the Democratic Progress Party by opposition politicians startled the ruling party. The Kuomintang has been in power in Taiwan since 1949, when the Nationalists retreated here after their forces were defeated by the Communists in China.

The challenge came as the Kuomintang was discussing whether to extend democracy by relaxing martial law, under which new political parties are banned.

Political observers said it would strengthen the hand of hard-liners in the military and the security forces. The hard-liners oppose liberalization and are concerned that the opposition is trying to depose

the Nationalist regime and make the island a sovereign state. The Kuomintang claims to be the legitimate government of all China.

The new party was established by 135 members of the loose opposition alliance known as the Tangwai, which operates outside the three approved political parties. Its organizers are members of parliament and city and county councils.

It has nominated 42 candidates to run in elections for parliament in December and has said it hopes to recruit 200,000 members before then.

Kuomintang sources said party and internal-security officials held emergency meetings Sunday and Monday to decide how to respond to the move. There has been no official reaction.

Political analysts said it was unclear whether the hard-liners would have their way by cracking down on the new party or whether reformers in the government would

successfully argue for compromise.

Earlier this year, the Kuomintang began a political dialogue with the opposition by inviting its leaders to a series of informal dinners.

It established committees to examine ways to relax martial law and to extend democracy by opening more seats in the national government to election.

The opposition set up permanent offices which recruited members and acted as a political party in all but name. The new party is an outgrowth of those offices.

Political analysts said reform was being promoted by President Chiang Chung-kuo, who at 76, is anxious to secure his place in history.

Opposition sources said the new party had been planned for several years. But they said its formation was the result of an impulsive decision by the opposition leaders, who were meeting to discuss election strategy.

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OPINION

Herald Tribune

Keep Funds Flowing

Latin America's debts to foreign banks have become a crucial test of the relationship between rich countries and those that are not.

they are richer than any. These comparisons are offered in an illuminating book, "Toward Renewed Economic Growth in Latin America," published this month by four authorities on the subject.

Irradiation for Dinner

Insects, bacteria and mold are the enemies of fresh food. All can be arrested by energetic radiation — typically, a zap of gamma rays.

chance. It has been safely used for some time on spices. But they form a tiny part of the diet. For major items like fruit and meat, more persuasive evidence of safety would be comforting.



But Who Will Wage War Against the Deficit Drug?

WASHINGTON — After years of indifference, Congress and the president have hijacked the anti-drug bandwagon.

By Ernest F. Hollings
The writer is a U.S. senator from South Carolina.

and one president, the debt has doubled to \$2 trillion. Last year Senator Phil Gramm, Senator Warren Rudman and I initiated legislation designed to put the lid on spending.

Reagan Could Have It Both Ways in Arms Control

CAMBRIDGE, Massachusetts — Last May when President Reagan announced his intent to stop observing the terms of the unratified SALT-2 treaty he raised a political furor.

By Joseph S. Nye Jr.
er 1981 the Reagan administration rediscovered the rhetorical power of arms control.

ing that remains over the details of the limitations and verification on the defense side. But even more important is the SDI. The SDI could be part of the solution, but it is also part of the problem.

Other Comment

No to the Nuclear Umbrella

The Labor Party now commits Britain to a future in which it is neither a nuclear power nor one protected by the American nuclear guarantee.

mat Edwin O. Reischauer has noted, "there have been no significant additions of blood to the Japanese race."

Japan and Multiracialism

Japan is one of the world's most ethnically homogeneous societies. With its long history of isolation it has been immune from the patterns of population mixing that elsewhere have resulted from open borders, immigration and conquest.

A Plan to Resolve Europe's Job Crisis

BRUSSELS — Last year's Nobel laureate for economics has come up with a plan for curing Europe's unemployment plague.

By Giles Merritt
especially in Europe, to be a new social consensus that high unemployment has become a fact of life.

influential officials and policy planners for some sort of European jobs strategy is growing. The recent OECD "Employment Outlook" urges a number of measures for promoting economic growth that are skin in the deflationary measures being advanced by Professor Modigliani and four other distinguished macro-economists brought together by the Brussels-based Center for European Policy Studies.

Read This Message, If You Can

By James Reston
WASHINGTON — There have been two comments in recent days on the level of American education, the first by Prime Minister Yasuhiro Nakasone of Japan, for which he has apologized, and the second in the form of a report on literacy by the National Assessment of Educational Progress that was commissioned by the U.S. Department of Education.

Illiteracy is a national disgrace that gets less attention than it needs.

This was taken as a racial slur, although the Japanese government explained that Mr. Nakasone meant only that Japan's educational task was easier because it is a society with a single race, without the complexities of America's racial diversity.

Almost all adult Americans could sign their names on a Social Security card or find the expiration date on a driver's license. But only 20 percent could figure out from a bus schedule when the next bus arrived.

The report, entitled "Literacy: Profiles of America's Young Adults," was based on a survey last year of only 3,600 young people between the ages of 21 and 25. Thus it is subject to many different interpretations.

The results are much better than expected," said Gregory Arrigo, president of the Educational Testing Service. "The country has reached a 95 percent level of literacy. No other country has achieved that. There is still a problem for the remaining 5 percent [but] the real need is to work with the much larger proportion of the population that already can read but doesn't read well enough to cope with this technological society."

The report was published after two national television networks had dramatized the illiteracy problem and suggested that the number of illiterate adult Americans was about 23 million, or 12 to 15 percent of the population. A foreword to the report puts the figure at about 10 million.

Either way, this is not merely a problem but a national disgrace that is obviously getting less attention than it deserves. Washington may not be "awash in illiteracy" but it is awash in reports on arms control, drug control, deficit control, population control, divorce and illegitimacy control, and now education control.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Italy Declares War

ROME — A communique issued by the Italian Government states that from 2.30 p.m. today [Sept. 29] a state of war exists between Italy and Turkey. Notification of this action was made to the Powers at five o'clock this evening. The Italian warships in the Mediterranean have been notified by wireless telegraph.

1936: Anti-Crime Sweep

WASHINGTON — Federal agents carried out the first attack in the Treasury Department's unheralded nationwide drive against violators of laws covering narcotics, liquor, customs taxes and counterfeiting, and made 990 arrests [on Sept. 29]. The operatives penetrated every cranny of the underworld, and it was predicted the total of arrests might be nearly 2,000 before [Sept. 30]. In this gigantic campaign, launched under the aegis of Henry Morgenthau Jr., Secretary of the Treasury, 2,500 agents were mobilized. Coast Guard units sent out boats and airplanes to forest hunt down the plants of counterfeiters. Specialized agents of the Federal narcotic squad raided dope-peddlers, while others of the internal revenue department helped in the search for illicit stills.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel: (1) 46.37.93.00. Telex: Advertising, 613999; Circulation, 612832; Editorial, 612718; Production, 630698.
Directeur de la publication: Walter N. Thayer.
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S.A.: a capital of 1,200,000 F. RCS Number: 153201126. Commission Paritaire No. 61337
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About Sinatra, I...
MIAMI PRINTING MAKES THE GLOBAL NEWS... AVAILABLE BY-OF-PUBLIC... IN THE AMERIC... JUST AS IN EUROPE AND AS...
Herald Tribune

OPINION

About Sinatra, the Mob and Washington

WASHINGTON — Transcripts of wiretaps ordered by American courts and directed at suspected leaders of organized crime help us cross the bridge from fiction to fact.

A conversation between Anthony (Fat Tony) Salerno, of the Genovese Mafia family, and Anthony (Tony Ducks) Cassio, of the Lucchese family, was played in court the other day by a federal prosecutor seeking to break the back of the syndicate.

By William Safire

spoke to Mr. Sinatra in New York and met him in Los Angeles to book entertainment at a mob-owned nightclub, Dean Martin, Eddie Fisher, Sammy Davis Jr. and Mr. Sinatra all performed there, the FBI was told, without fee.

Mr. Lawford, the movie actor, was a Kennedy in-law and the link to show business for the political clan. When the president and his brother learned the extent of the Sinatra association with the Fishetti brothers and Mr. Giancana, the Kennedys distanced themselves from the singer, staying not at his Palm Springs home but at that of Bing Crosby.

of famous actresses, culminating in his emotional defeat by Ava Gardner (good for her — and for us, because it gave new depth to his singing).

However, a few of us will study this work for the evidence assembled to support its underlying theme: that a celebrity with supreme arrogance and the ability to raise funds for politicians can succeed in buying respectability — if not from one president, from another. The transcript of the Sinatra hearing before the Nevada Gaming Commission, interspersed with commentary by biographer Kelley pointing to evidence contradicting that testimony, will cause an anti-Mafia reader's gorge to rise.

Not President Reagan's. In the name of fighting crime, he is willing to subject millions of innocent Americans to the most intrusive and demeaning drug tests; he undermines that anti-Mafia pose by turning a blind eye to the photograph of his friend embracing mobsters.

The most obscene act of the Reagan presidency has been the award of the Medal of Freedom to Mr. Sinatra, with Mother Teresa at the same ceremony. "His love of country, his generosity for those less fortunate," gushed the president, made him "one of our most remarkable and distinguished Americans."

A Senator of the Old School: John Stennis of Mississippi

By George F. Will

WASHINGTON — Early in many a morning, when John Stennis, 85, arrives at work, the U.S. Capitol is as quiet as a desert. The only voices heard have the soft sound of ashes falling upon ashes. Soon the place is noisy. Mr. Stennis never has been, never will be.

MEANWHILE

He is a senator of the old school, the last of that school of no-waste motion and few public flourishes.

His talk is lightly laced with regional and archaic phrases, as when, speaking of a friend from his distant youth, he says, "He lived over near the Big River. There's a faint, sweet echo of a vanished America in that almost reverent reference to a dominating geographic fact."

Before he was a senator ("I had a little leaning toward government") he was a trial judge. He says the experience made him used to making decisions alone. He must often feel alone these days in halls haunted by distinguished ghosts.

All flesh is as grass, but some flesh is especially durable. Few people have ever endured in Washington longer than the senior senator from Mississippi — who was a junior senator for 31 years.

persons have served in the Senate, not counting the handful who served only a few days or weeks. In the last eight years the death, defeat or retirement of six senators — James Eastland of Mississippi, Milton Young of North Dakota, John Tower of Texas, Jacob Javits of New York and Warren Magnuson and Henry Jackson of Washington — took from the Senate 186 years of seniority.

Two members of today's Senate (Don Nickles of Oklahoma and Albert Gore of Tennessee) were born after Mr. Stennis became a senator.

Today there are 64 senators who have served less than 10 years. A new infusion of inexperience is just a few months away. Mr. Stennis stands out as a large portion of the Senate's institutional memory. With unfeigned self-effacement, he recalls his first visit to the White House to visit the current president. "I told him my name. And I said, 'I'm a Woodrow Wilson Democrat.'"

Mr. Stennis has served in Washington with eight presidents — 20 percent of the total the United States has had. He is an old man who reminds you of how young the nation is. The young Mr. Stennis had a Wilsonian faith in a world court to tame the nations. But he really is a Richard Russell Democrat. He is an old man with a young man's capacity for having a hero, and his is the Georgia senator who died 13 years ago.

In an institution not famous for the relentless reticence of its members, Mr. Stennis is remarkably reluctant to talk about himself. However, he speaks often and with a moving warmth about Mr. Russell, who was a senator's senator before publicly became the means and the end of much political action.

In 1947 the condition of blacks in Mississippi was more like that of the condition of blacks in 1847 than in 1986. Mr. Stennis says, again with nice understatement, that the civil rights revolution has made life in the Senate "less tense." But, asked to cite the most striking change in the United States during his lifetime, he cites the increased participation of women. Women, like blacks, could not even serve on Mississippi juries when Mr. Stennis was a judge.

In 1973 he spent three months in a hospital after being shot in front of his Washington home by snipers. He is in a wheelchair now, but his capacity for work equals that of senators young enough to be his grandchildren. If he runs and wins in 1988, he will, on Sept. 18, 1989, break the Senate record for service set by Arizona's Carl Hayden: 41 years, 10 months, 12 days.

By then Mr. Stennis will have served in the Senate through more than one-fifth of the life of the Constitution. May his career flow on, like the Big River. *Washington Post Writers Group.*



By AILSH in the Montreal Gazette, CAN Syndicate.

LETTERS TO THE EDITOR

Visas for France: Chirac Builds Another Maginot Line

I am dismayed at Prime Minister Jacques Chirac's decision to require visas from foreigners, partly because, having studied and taught in France, and looking on the country as a second home, I now have to have a Canadian passport stamped — as if our two countries were not closely linked by heritage.

Chirac never heard of the German Red Army Faction, the Irish Republican Army or the Italian Red Brigades?

Simon Fowler, Marbella, Spain.

Your Sept. 16 editorial page provided a fascinating account of the analytical power of the press. Military analyst Drew Middleton concluded at the top of the page that NATO's fate in the event of a Russian attack depends on the French, and that this is not a ground for hope. At the bottom of the page you quoted Le Monde as commenting that the new visa requirement for everyone except people from elsewhere in the European Community and from Switzerland represents "an immense step backward" because it hits "countries that are traditionally friendly (to France), from Scandinavia to black Africa, from Canada to Japan and Latin America."

Passivity Breeds Contempt

France is paying the price for its long history of grossly pro-Arab diplomacy and its smug passivity toward Arab terrorism. As long as it was free from the scourge of terror, it was able to ignore the suffering of less fortunate nations.

Francis M.S. Peel, Geneva.

Americans who complain that France now requires them to have visas should remember that for years the United States has required visas of Frenchmen — and everybody else. I have seen French applicants waiting in long lines outside the American visa office in Paris, often in the rain. The visa form itself can add insult to injury. When a French friend of mine applied for a visa, she was asked if the applicant for a visa, she was asked if she planned to engage in prostitution while in the United States.

When Robots Look Back

Regarding "Do We Really Want Robots to Do All Our Dirty Work?" (Meanwhile, Sept. 18) by Neil Parritz: In the year 3086, when our ancestors will be pets in robot households, the robot scientific community will scoff at any unscientific theory that robots were originally created by such lowly life forms as human beings.

Anthony Gardner, Oxford, England.

Third Person Singular

Fortunately enough, William Safire was not "present at the creation of English" (Language, Sept. 15). Still, he ought

A Deterrent to Terrorism

Our current inability to prevent terrorist acts whose avowed purpose is to obtain the release of imprisoned terrorists might be substantially negated were judges, in sentencing terrorists to imprisonment for capital crimes, also to impose a suspended sentence of death.

Philip Picuri, Kilchberg, Switzerland.

James R. McMahon

James R. McMahon, Bruczwiler, Switzerland.

A Training for Cruelty

Regarding the report "U.S. Hunting Paradise Spawns Questions" (Sept. 16): One questions the values of the likes of Louis Pascal. Hunting animals (who eat squirrels?) for "sport" is a training ground for callousness and cruelty. It teaches men not to feel anything when they kill or maim a living creature.

Gaullier O'Diney, Hyeres, France.

William Jourdun Jr.

William Jourdun Jr., Washington.

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ARTS / LEISURE

Karl's Muse Anna

PARIS — "A Fashion Journal," by Anna Piaggi and Karl Lagerfeld, is the beautifully illustrated result of an intense and unusual fashion friendship.

The book, defined by Piaggi as an "Anna-Chronique," was begun, she writes, "more than 10 years ago, at the table of a Chinese Restaurant, La Route Mandarine. Karl made a sketch of my head with newly cut hair by Henry Hobel of Vidal Sassoon in London, and of my accessory for the evening — a 'telescopic' fan with an ivory handle."

Lagerfeld is the designer whose talent has worked wonders for Chanel, Fendi and his own K.L. label. Piaggi, long considered as Lagerfeld's muse, is a former editor of Italian Vogue, known in fashion circles for her wild and totally unpredictable apparitions. For instance, at one of Lagerfeld's shows, her headgear consisted of four plumes snatched from Lagerfeld's Louis XV canopied bed.



Jean-Michel Jarre And Papal Pomp

By Mike Zwerin International Herald Tribune LYON — Jean-Michel Jarre transforms environments with aural and visual spectacles the way the artist Christo wraps them.

There was the Place de la Concorde in Paris on Bastille Day 1979, then Beijing in October 1981, then Houston last April, and now Lyon on Oct. 5 for the visit of Pope John Paul II.

During a press conference announcing the occasion, Lyon's mayor, Francisque Collomb, predicted: "Crowds will line the banks of the Saône and Rhône rivers and fill the giant stadium at the foot of Fourvière Hill to listen to Jean-Michel Jarre's music and watch citywide laser projections, fireworks and enormous graphic projections on the Renaissance facades of France's second city."

"If you are in Lyon that night, you will not be able to escape our spectacle," Jarre had said during the two-hour, high-speed TGV train ride from Paris. "The pope's blessing of the city on Sunday evening will be the signal for us to begin. Which is rather symphonic."

from French to perfect, unaccented English: "Usually when the pope visits, nobody talks about the place itself, only about the visit. This time I'd like to make it different."

Although Jarre is considered one of the leading figures in a style of increasingly popular instrumental music known as "New-Age," his manager, Francis Dreyfus, points out that "as far as Jean-Michel is concerned it's 'Old-Age.' He was doing it 10 years ago."



Jarre in Houston, Texas.

The sky was literally the limit last April. Endorsed by the U.S. National Aeronautics and Space Administration and the mayor, Jarre turned Houston's downtown skyline into his stage to celebrate the 150th birthdays of both the city and the state of Texas, as well as the 25th anniversary of the Johnson Space Center. Jarre's 1,200-foot-high visual effects were projected on the skyscrapers and he played a laser harp with mile-high beams for strings.

Mayor Collomb talked to me about doing a concert similar to Houston before we knew the pope was coming," said Jarre. "We wanted to do something to help raise the city's image of itself. Many Lyonnais are annoyed by the fact that their city is always mentioned in the context of food. Personally, I'm proud of that. But the Lyonnais find it condescending; it implies that the place is good for nothing else but eating."

HERE DORSEY predictable apparitions. For instance, at one of Lagerfeld's shows, her headgear consisted of four plumes snatched from Lagerfeld's Louis XV canopied bed. For Lagerfeld, Piaggi is "a graphic person... not pretty, she is worse. In dressing herself, she creates an image. She never provokes. She evokes. . . . She dresses the way one plays a role. . . . Dressing is her means of communication." Lagerfeld adds that "There is no imitating Anna. Those who have tried became caricatures or 'fashion victims.'"

For Piaggi, who collects "the Unique and the Antique," dressing is "self-editing" and such an important adventure that she has been known to take 10 pieces of luggage for a three-day trip to Lagerfeld's Brittany chateau, Grand Champ. "The trunks hold everything and anything one might imagine — feathered fans, ebony canes, muffs by Worth, boas by Fendi, Tunisian trousers, Poiret coats, 1915 hobble skirts, a Mainbocher bolero once owned by the Duchess of Windsor and 1920 shoes found in the Bermondsey Flea Market of London. Piaggi changes four or five times a day, concocting new and wild outfits in what has to be the ultimate fashion trip. Lagerfeld draws "with intensity,

rapture, generosity and extraordinary speed," as Piaggi puts it. The result, published by Thames and Hudson, is Piaggi's story in 154 color photos and drawings, and 60 in black and white, reminiscent of great chroniclers of elegance such as Eric, Christian Bérard, Willamiz, Bonché and Cecil Beaton. "Karl," Piaggi writes, "is an extraordinary narrator of fashion stories, expressed with a light touch, elegance and wit."

The book takes us through Lagerfeld's residences, in Brittany, Monte Carlo and Paris. It is divided into 29 chapters, mixing Lagerfeld's sketches with handwritten comments, plus printed text by Piaggi. Washing a salad in Lagerfeld's kitchen, Piaggi wears "a bustier designed by Sonia Delaunay for a production of Fokine's 'Cleopatra' by the Ballets Russes in 1909."

In another scene, she wears a Balenciaga navy blue grosgrain, printed with white polka dots. "Probably 1940s. Found in Paris, at Marché Malik. The Anna-Chronique touch: I padded the hips with a croissant-shaped pumper from the wardrobe of an opera singer."

Acting instinctively and without any apparent logic, Piaggi might mix a fisherman's cotton T-shirt bought in Ichia with a sun-ray, pleated gold lamé skirt which was once part of a 1950s Cleopatra-style evening dress by Guy Laroche. Or she will combine a long, orange and white, full-length squirrel coat by Lagerfeld for Fendi with the oddest accessories — such as a handbag "which is actually a glove holder in tortoise-shell and leather." For Paloma Picasso's wedding dinner, "I wore a silver lamé and ostrich feather dress by Callot Soeur, with a metal helmet from the play 'Orlando Furioso.'"

This fashion improvisation goes on and on, page after page of surprising mixtures. At one point, a 1926 Chanel flapper dress was set off with an oversized black fan. On Feb. 1, 1974, Piaggi wore a long-sleeved Fortuny dress of black pleated silk with an apron, which was in reality a silk cape by Chanel.

By far her wildest idea was wearing for Lagerfeld's Venetian ball at the Palace, in which she came as a wife of a Venetian fisherman, prawns and spider crabs arranged in a big wicker basket. Her entrance went very well but "my exit was rather precipitate: towards midnight, the crabs and the prawns were not as fresh as they had been on the marble counters in the rue de Bac."

The October ready-to-wear shows in Paris are to go ahead in their usual tents, despite the rejection of some American buyers to attend. There will be "exceptional security measures," including only one entrance and seats strictly reserved for professionals.

We would like to thank our readers.

In the early spring of this year, as part of the International Herald Tribune's continuing research program, we conducted a study of our readers. This survey was carried out by a leading independent market research company, Research Services Ltd., London and, to ensure objectivity, was supervised by a panel of leading international advertising and marketing executives.

In addition, a total of \$361 in various different currencies was sent in by readers around the world as unsolicited additional contributions. This sum was distributed among the six charities in the same proportion as designated by the respondents.

The International Herald Tribune was therefore able to mail checks to the individual charities in the following amounts:

- Save the Children Fund ..... \$ 3,463.00
Cancer Research ..... \$ 3,384.00
World Wildlife Fund ..... \$ 2,662.00
International Red Cross ..... \$ 2,074.00
Live Aid ..... \$ 1,046.00
Heart Foundation ..... \$ 789.00
\$13,418.00

These substantial contributions were made possible by you, our readers and on behalf of the beneficiaries and also on our own account, we extend our most sincere appreciation.

If you would like to receive a copy of the 1986 IHT Reader Survey report, please write to Brian Shields, Marketing Director, International Herald Tribune, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.



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magazine described it as  
by a meditative aesthetic  
ical is often creative and  
A laid-back synthesis of  
and classical influences.  
ing to Dreyfus, Jarre's  
"Oxygene" (1976), "Egips



in Houston, Texas.

(1979) and others have sold 5  
copies worldwide. The  
"Rendez-Vous Houston, A  
Concert" is more than a  
Jarre wants Lyon to be  
ouston, in a different one

aid. "The idea is not merely  
a stage, but to stage the  
at remember, it's not a re-  
spectacle. It's civic. One  
which comes to more than  
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a lot of local people, plus  
ome local volunteers. I love  
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way to come back to the  
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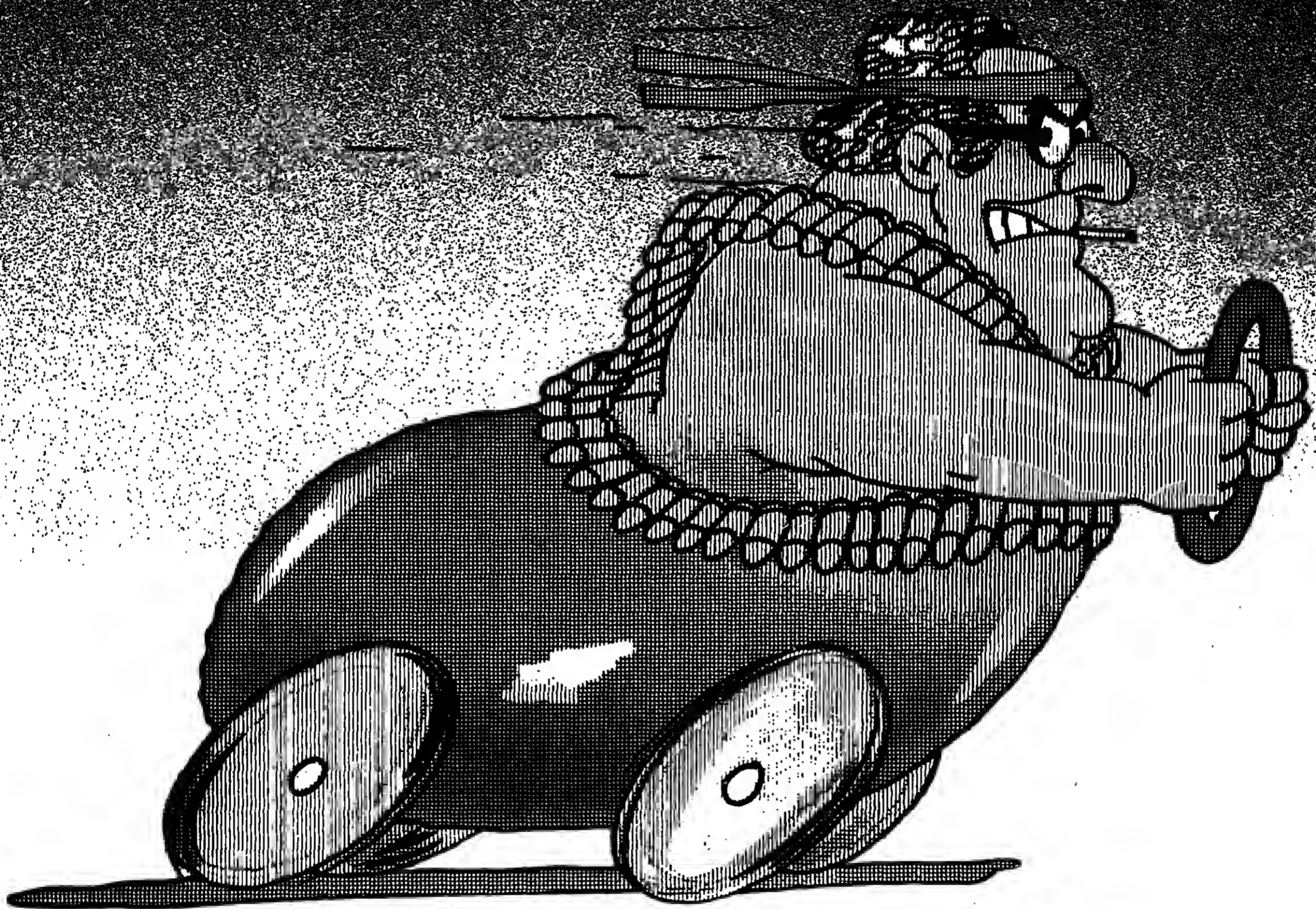
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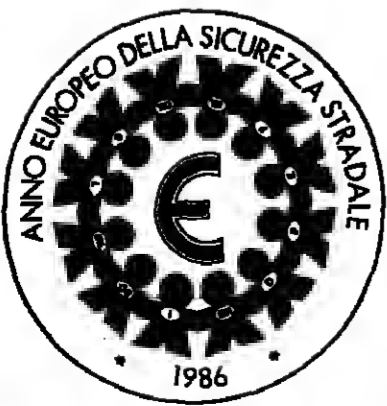
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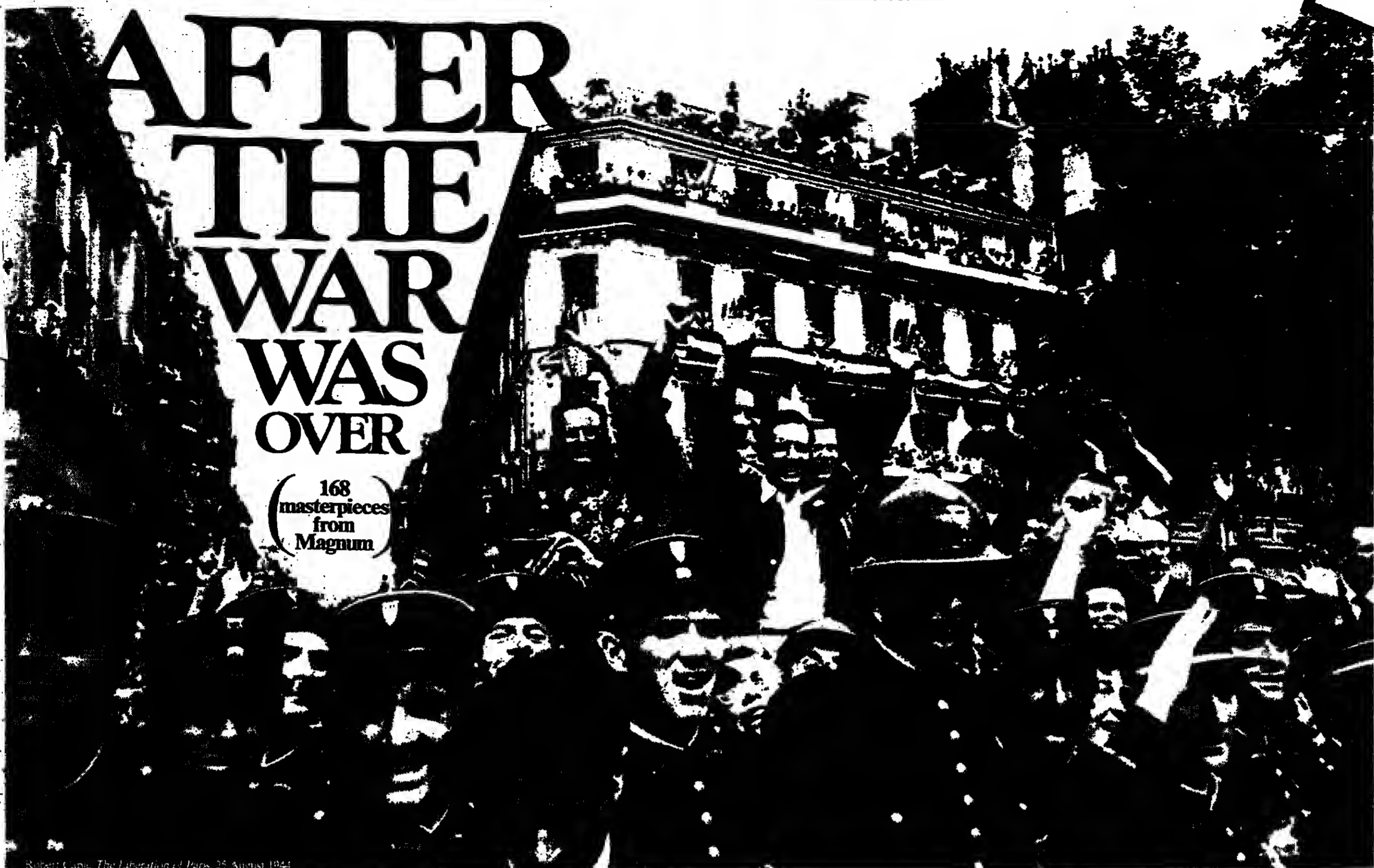


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Werner Bischof, *In the ruins of Warsaw*, 1947



Henri Cartier-Bresson, *The Ascot Train*, Waterloo Station, London 1953



Erich Lessing, *Railroad workers*, 1956



Photographs by Werner Bischof, René Burri, Robert Capa, Henri Cartier-Bresson, Elliot Erwit, Ernst Hass, Erich Lessing, Inge Morath, Marc Riboud, David Seymour, and other Magnum photographers.



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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
3,851,200	28 1/2	28 1/8	28 1/4	+1/8
3,451,200	17 1/2	17 1/8	17 1/4	+1/8
3,251,200	15 1/2	15 1/8	15 1/4	+1/8
3,151,200	14 1/2	14 1/8	14 1/4	+1/8
3,051,200	13 1/2	13 1/8	13 1/4	+1/8

Market Sales	
NYSE 4 p.m. volume	114,671,200
NYSE 4 p.m. volume	114,671,200
NYSE 4 p.m. volume	114,671,200
NYSE 4 p.m. volume	114,671,200
NYSE 4 p.m. volume	114,671,200

NYSE Index				
High	Low	Close	Chg.	Prev.
2,851.20	2,841.20	2,841.20	-1.85	2,843.05
1,251.20	1,241.20	1,241.20	-1.85	1,242.95
1,151.20	1,141.20	1,141.20	-1.85	1,142.95

**Monday's NYSE Closing**  
Via The Associated Press

AMEX Diary				
Advanced	Declined	Unchanged	Not Traded	New High
4	1	1	1	1

NASDAQ Index				
Close	Chg.	Week	Year	Prev.
1,251.20	-1.85	+1.20	+12.50	1,253.05

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
1,251,200	12 1/2	12 1/8	12 1/4	+1/8
1,151,200	11 1/2	11 1/8	11 1/4	+1/8
1,051,200	10 1/2	10 1/8	10 1/4	+1/8

Dow Jones Bond Averages				
Close	Chg.	Prev.	High	Low
114.20	-0.10	114.30	114.40	114.10
113.20	-0.10	113.30	113.40	113.10
112.20	-0.10	112.30	112.40	112.10

NYSE Diary				
Advanced	Declined	Unchanged	Not Traded	New High
1	1	1	1	1

Odd-Lot Trading in N.Y.				
Buy	Sales	'86	'85	'84
17,539	84,138	7,282	4,372	4,251
17,539	84,138	7,282	4,372	4,251
17,539	84,138	7,282	4,372	4,251

Dow Jones Averages				
Open	High	Low	Last	Chg.
1,251.20	1,261.20	1,241.20	1,241.20	-1.85
1,151.20	1,161.20	1,141.20	1,141.20	-1.85
1,051.20	1,061.20	1,041.20	1,041.20	-1.85

Standard & Poor's Index				
High	Low	Close	Chg.	Prev.
2,851.20	2,841.20	2,841.20	-1.85	2,843.05

NASDAQ Diary				
Advanced	Declined	Unchanged	Not Traded	New High
1	1	1	1	1

AMEX Stock Index				
High	Low	Close	Chg.	Prev.
1,251.20	1,241.20	1,241.20	-1.85	1,242.95

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

# Stock Prices Fall in New York

**NEW YORK** — Share prices fell Monday in New York to their lowest level in nearly six months in selling attributed to concern over rising U.S. interest rates and the outlook for the dollar.

The Dow Jones industrial average, down more than 30 points at midday, closed with a 14.49-point loss at 1,755.20.

Declining issues outnumbered advances by nearly 3 to 1.

Volume totaled 115.61 million shares, up slightly from 115.27 million in the previous session.

Analysts said traders were unhappy that financial leaders of the United States and other leading industrialized countries did not appear to make much progress over the weekend in meetings on interest-rate policies, the dollar and international trade imbalances.

West Germany and Japan, in particular, have been resisting pressure from the United States to promote lower interest rates, and thus stimulate demand for U.S. exports.

No big breakthrough had been expected. Nevertheless, brokers said the situation left investors wondering what could be done to deal with the problem of the U.S. trade deficit.

Prices of long-term government bonds, which move inversely to interest rates, dropped about \$2 for every \$1,000 in face value in early credit-market activity Monday.

Analysts said tax-rate changes due to be signed into law later by President Ronald Reagan, also had negative implications for the market Monday.

Alan Ackerman of Herzfeld & Stern said that

although it was widely anticipated for months that Congress would pass a law raising taxes that individuals pay on long-term capital gains, "many people wait until the last minute" as far as tax matters are concerned.

Mr. Ackerman said the tax changes were probably more unsettling to investors than the failure of the industrialized nations to lower interest rates.

The NYSE's composite index dropped 1.85 to 1,755.20.

Allied Stores led the active list, rising 2 1/4 to 63 1/4. Campaign Corp. raised its takeover bid from \$58 a share to \$66 cash. Allied previously said it would study all possible alternatives.

Anderson, Clayton dropped 4 1/4 to 65 1/4. Over the weekend the company said it agreed to be acquired by Quaker Oats for \$66 a share. On Friday, some investors were hoping for a bid closer to \$70. Quaker, which will pay about \$800 million for the acquisition, fell three to 70.

Gerber products dropped 3 1/4 to 49 1/4. Analysts said the stock advanced recently after Quaker said it had 4.8 percent of Gerber's shares, but now it was unlikely that Quaker would be able to make two acquisitions.

Federal Express climbed 3 1/4 to 63 1/4. The company said it will end its ZapMail service and take a \$340-million pre-tax writedown. Analysts said the move will quickly boost earnings.

IBM fell 1 1/4 to 134 1/4. The computer company reports third-quarter earnings in two weeks. Wall Street analysts have been lowering estimates to a point where many of them expect IBM to report between \$1.90 and \$2 a share.

(AP, Reuters)

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
125 1/2	125 1/8	AAPL	0.00 0.00 10	125 1/2	125 1/8	125 1/4	+1/8
124 1/2	124 1/8	IBM	0.00 0.00 10	124 1/2	124 1/8	124 1/4	+1/8
123 1/2	123 1/8	MSFT	0.00 0.00 10	123 1/2	123 1/8	123 1/4	+1/8
122 1/2	122 1/8	ORCL	0.00 0.00 10	122 1/2	122 1/8	122 1/4	+1/8
121 1/2	121 1/8	INTL	0.00 0.00 10	121 1/2	121 1/8	121 1/4	+1/8

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
120 1/2	120 1/8	GOOG	0.00 0.00 10	120 1/2	120 1/8	120 1/4	+1/8
119 1/2	119 1/8	AMZN	0.00 0.00 10	119 1/2	119 1/8	119 1/4	+1/8
118 1/2	118 1/8	EBAY	0.00 0.00 10	118 1/2	118 1/8	118 1/4	+1/8
117 1/2	117 1/8	SHOP	0.00 0.00 10	117 1/2	117 1/8	117 1/4	+1/8
116 1/2	116 1/8	WALD	0.00 0.00 10	116 1/2	116 1/8	116 1/4	+1/8

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
115 1/2	115 1/8	DISC	0.00 0.00 10	115 1/2	115 1/8	115 1/4	+1/8
114 1/2	114 1/8	WDC	0.00 0.00 10	114 1/2	114 1/8	114 1/4	+1/8
113 1/2	113 1/8	QCOM	0.00 0.00 10	113 1/2	113 1/8	113 1/4	+1/8
112 1/2	112 1/8	TXN	0.00 0.00 10	112 1/2	112 1/8	112 1/4	+1/8
111 1/2	111 1/8	ADSK	0.00 0.00 10	111 1/2	111 1/8	111 1/4	+1/8

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
110 1/2	110 1/8	CRM	0.00 0.00 10	110 1/2	110 1/8	110 1/4	+1/8
109 1/2	109 1/8	INTC	0.00 0.00 10	109 1/2	109 1/8	109 1/4	+1/8
108 1/2	108 1/8	HPQ	0.00 0.00 10	108 1/2	108 1/8	108 1/4	+1/8
107 1/2	107 1/8	AMD	0.00 0.00 10	107 1/2	107 1/8	107 1/4	+1/8
106 1/2	106 1/8	SGS	0.00 0.00 10	106 1/2	106 1/8	106 1/4	+1/8

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
105 1/2	105 1/8	AVY	0.00 0.00 10	105 1/2	105 1/8	105 1/4	+1/8
104 1/2	104 1/8	QTT	0.00 0.00 10	104 1/2	104 1/8	104 1/4	+1/8
103 1/2	103 1/8	WMT	0.00 0.00 10	103 1/2	103 1/8	103 1/4	+1/8
102 1/2	102 1/8	WYNN	0.00 0.00 10	102 1/2	102 1/8	102 1/4	+1/8
101 1/2	101 1/8	UNH	0.00 0.00 10	101 1/2	101 1/8	101 1/4	+1/8

**Change in Spanish**  
**Madrid a R**

**Currency Rates**

**Interest Rates**

BUSINESS/FINANCE

Dow Slides 14.49; Story on Page 10

INTERNATIONAL STOCK MARKETS

Change in Spanish Taxes Gives Madrid a Record Rise

By JULES STEWART

MADRID — A government program to encourage investment in stocks caused a sharp rise in share prices on the Madrid bourse on Monday. Prices jumped 7.32 points, to 199.23, on the main market, a one-day record. The government's move to shift support to risk capital from fixed-income investment was a key factor in the euphoria on the exchange floor, said Jaime Saiz, a spokesman for the exchange. He was referring to Finance Minister Carlos Solchaga's announcement last Friday that the government would eliminate tax rebates on fixed-income issues, such as bonds and debentures, leaving the stock market as the sole tax haven, with a 10-percent rebate on money invested there. Mr. Solchaga made the announcement after submitting the 1987 state budget to parliament. He said the economy would grow 3.5 percent in 1987, up from estimated 3-percent growth this year. He estimated that inflation would fall to 2 percent next year from a current 8 percent. The overall buoyant economic outlook also encouraged investor confidence, Mr. Saiz said of Monday's busy trading. He said the strong buyer position was expected to push the Madrid General Index of shares substantially above 200 in Tuesday's trading session, but added that this did not look like a long-term trend and that the market would probably cool off in the coming days.

Many investors are expecting interest rates to decline further.

THE INDEX, which includes all shares traded on the exchange, is set at 100 on the first trading day of the year. It broke the 200 mark on Sept. 2, falling back later during two weeks of profit-taking. Market analysts said last week's drop in interest rates had also contributed to the booming market. The Bank of Spain cut rates by 1/2 percentage point on the funds that it issues to regulate the cost of borrowing. The central bank's action was in line with the Socialist government's policy of gradually easing tight-money policies to encourage higher growth. The tight-money policies were implemented to fight inflation. "It is logical to assume that rates will continue to fall," Mariano Rubio, the governor of the Bank of Spain, said last week. Private banks have already begun reacting to the central bank's forecast of lower interest rates. The Madrid branch of Manufacturers Hanover Trust Co. of New York reduced on Friday its prime lending rate by one point, to 13.5 percent. "Inflation is tapering off and the government's monetary objectives are well within this year's target, so it was a logical decision for us," said José Antonio Garay, the branch's general manager. He said he expected other foreign and domestic banks to begin cutting rates this week. Bank, utility and communications shares were among the strongest sectors in Monday's surge.

Beijing Acts on Stocks China will allow joint Chinese and foreign concerns established in its Special Economic Zones in Guangdong province to sell stocks and bonds in China and abroad, Agence France-Presse reported Monday from Beijing. Companies benefiting from the new regulations, approved Sunday by the authorities of the southern province, must produce advanced technology marketable internationally and meet the development needs of the Chinese economy, according to the Xinhua news agency.

Comsat, Contel To Merge

Stock Swap Put At \$2.6 Billion

The Associated Press

WASHINGTON — Contel Corp., with 2.3 million telephone customers in 30 U.S. states and the Caribbean, will become a wholly owned subsidiary of Communications Satellite Corp., a company one-fifth its size, under a \$2.6-billion stock-swap merger agreement announced Monday. Comsat, based in Washington, sells satellite capacity for international transmission of telephone calls and television signals, while Contel's main business is local phone service. Shareholders of Contel, based in Atlanta, will receive tax-free 0.94 of a share of Comsat for each share of Contel common stock they own. That means Comsat would pay the equivalent of about \$2.57 billion in its own stock for the 76.5 million shares of Contel common stock outstanding, based on current stock prices, according to Roger Cocheti, Comsat's director of investor relations. On the New York Stock Exchange Monday, Contel shares ended down \$1 at \$31.50. Before completion, Contel said it would redeem all of its series of preferred stock outstanding. By law, no more than 10 percent of Comsat stock may be owned by any one person or group. Boards of both companies have approved the transaction. Shareholders and the government must also give their approval. In a combined statement, executives of the two companies said Comsat's technical expertise and Contel's marketing knowledge should combine to strengthen both companies. The merger is expected to be completed in 1987.

Charles Wohlsteiter, chairman of Contel, will become chairman of the combined Comsat operation. Comsat's current chairman, Irving Goldstein, will be vice chairman. For 1985, Contel had net income of \$239.9 million on revenues of \$2.6 billion. Comsat had a loss of \$41.5 million on \$459 million in revenue last year. For the first six months of 1986, Contel earned \$105.9 million on \$1.5-billion in revenue. Comsat's earnings were \$28 million for the first six months this year, on revenue of \$236.1 million.

Bertelsmann's Expansion Galore U.S. Purchases Pose Array of Problems

By John Tagliabue



Mark Wössner

BONN — Talking to reporters about a year ago, Mark Wössner, the youthful-looking 47-year-old chief executive of Bertelsmann AG, predicted that the big West German publisher was entering "a brand new phase of expansion." With the announcement Friday that Bertelsmann would acquire the publishing operations of Doubleday & Co., Mr. Wössner stuck to his word. Earlier in September, Bertelsmann spent \$300 million to acquire the 75-percent share of RCA Corp.'s record business that it did not already own. But the Doubleday acquisition for \$475 million in cash, plus some other proceeds, represents its single largest expansion to date, and an aggressive growth drive that has seen the German company move into film producing, magazine publishing and television broadcasting. But the latest move also poses an array of significant problems for Bertelsmann. Not that marks are new to the company's inroads into the United States. In the early 1980s, Geo, a glossy science magazine, flopped, costing Bertelsmann millions of dollars. In 1984, the company closed a Chicago-based field test of American Circle, a book club idea that had worked well in Europe but flopped in the United States. Also in 1984, it bid \$150 million for U.S. News & World Report, only to be outbid by Mortimer B. Zuckerman. The test facing Bertelsmann this time, industry experts say, is whether it can breathe new life into Doubleday's sluggish book publishing activities. These have been hurt in recent years by a declining market for hardcover books, and by strong competition to the company's Literary Guild book club from discount book outlets. Bertelsmann spokesmen were loath to discuss possible management plans for the U.S. operations. Gert Schükke, the management board spokesman, said the "deal was simply too fresh." But Bertelsmann executives, led by Mr. Wössner, an engineer who worked his way up through management ranks, and Reinhard Mohr, chairman of the company's supervisory board, had made a name for themselves as turnaround artists in the late 1970s. The executives succeeded in spreading a fresh, pushy spirit among employees demoralized by a chain of divestitures from areas such as foodstuffs and paper making that were acquired in an earlier diversification binge. The company reinforced that reputation in the United States, where it made a success of Bantam Books, which was badly in need of reorganization when Bertelsmann acquired it in 1980 — a time when the recession and shifting reader habits were jolting the paperback market. Part of the trick, people who know the company say, is its undogmatic approach to growth. They say that Geo and the American Circle book club, both European successes and American failures, taught management that successful ideas do not always travel well. Future responsibility for the Doubleday operations will lie with Ulrich Wechsler, president of the publishing division. A due to his methods can be seen in Bertelsmann's recent successful drive to widen sales at its 30 publishing houses worldwide, despite shrinking markets for books in many countries. The company rode the crest of a paperback wave while reappraising its hardcover operations, where it reduced the number of titles in reaction to declining demand and more cautious purchasing by book sellers. And the company will have the money to spend. Sales figures for the fiscal year ended June 30 have not yet been published, but are expected to total \$1.5 billion.

IMF Chief Says Outlook Better For U.S. Trade

The Associated Press

WASHINGTON — The U.S. trade deficit is bottoming out and exports will start catching up with imports next year, Jacques de Larosière, the managing director of the International Monetary Fund, said Monday. Mr. de Larosière said the United States would begin to benefit from the sharp drop in the dollar against other major currencies in recent months as U.S. goods become more competitive in world markets. But first, he said at a news conference, "you will be seeing more mending or more stabilizing forces in the pattern of the international imbalances." He noted, in an apparent reference to Japan and West Germany, that major trading countries were starting to see their own economies beginning to demand more goods than they produce. This will increase those countries' appetite for U.S. and other imports, he added. "And there is a reverse trend which is starting to happen in this country," Mr. de Larosière said of the United States. "We think the manifestation of that trend indeed will come to bear in the year 1987." "That does not mean that the very large imbalances that we have among the different balance-of-payments are going to disappear," he added. "They're not disappearing yet, but they are improving, and the trend towards deterioration that you had been seeing in past years is now clearly broken." The IMF has toned down its rosy forecast for world growth as representatives of 151 countries gathered to discuss how to correct economic problems. As earlier reported, IMF economists revised downward on Sunday its forecast of world economic growth to 2.8 percent this year. The weeklong meetings of the IMF and World Bank are chiefly concerned with the record U.S. trade and budget deficits and the heavy indebtedness of Third World countries. The focus in preliminary meetings was on an attempt to fashion a \$12-billion package to help Mexico meet its payments on \$100 billion in debt. The negotiations on the rescue package were continuing late Monday. President Ronald Reagan and leaders and finance ministers of other countries are among the officials expected to address the formal session, which are to begin Tuesday following days of preparatory meetings with smaller groups. The U.S. deficits were the subjects of speeches and meetings during the weekend. Treasury Secretary James A. Baker 3d sought to persuade West Germany and Japan to cut their interest rates as a way of stimulating their economies and increasing demand for U.S. exports. He conceded that he was unable to win immediate agreement but said, "We are really dealing in these meetings as much with the medium- and long-term economic outlook and picture as we are instant, short-term gratification. And this is a healthy debate [on interest rates] that we've had and it will continue." Mr. Baker's statement followed two days of meetings between the finance ministers of the world's richest nations. The ministers pledged close coordination of their economic policies. Basic Change Rejected Major industrial countries rejected on Monday any significant change in their basic economic strategies, brushing aside both the deepening worries of developing nations over an uncertain world economic outlook and the mounting problems facing Third World debtors, Agence France-Presse reported. The Interim Committee, the policy-making body of the IMF that met Sunday, recognized that uncertainties still exist but that lower inflation and interest rates in the industrialized world and a more satisfactory pattern of exchange rates "will help place the international economy on a firmer footing." A communiqué endorsed Monday by the 22-member panel fore-shadowed a stronger economic performance in industrial countries over the next 18 months. But it acknowledged that "the basis for durable growth must be strengthened." In an oblique reference to a public dispute over widening trade imbalances between the United States and its main trading partners, Japan and West Germany, the committee called for efforts by both deficit and surplus countries.

Currency Rates

Table with columns for various currencies (A.M., D.M., F.F., etc.) and their values against the dollar.

China Reported To Offer Japan Gold for Goods

The Associated Press

BEIJING — China has told top Japanese businessmen that it will offer gold instead of goods in return for Japanese exports and that it has significantly increased output of the precious metal, Japanese sources said Monday. The sources said that Japanese companies doing better business with China would prefer to accept gold than Chinese goods, which would prove difficult to sell. State Councillor Zhang Jingfa told a delegation from the Japan-China Association on Economy and Trade that China has markedly increased gold production and would offer it in exchange for Japanese goods, the sources said. They said a Japanese trading company was considering the offer. The gold, 99.9-percent pure, is in ornaments or jewelry, not ingots, they said. Foreign industry sources estimate China's gold production at 45 to 50 metric tons a year. Chinese officials said recently that the country's output of the metal by 1990 should double 1986 levels. Analysts said the latest cut suggests that the Fed has stopped trying to control the explosive growth of M-1, the narrowest measure of the U.S. money supply, and instead is manipulating short-term interest rates to influence economic activity and inflation. Some senior officials say the primary goal of Fed policy is to avoid a recession that might lead to a wave of business bankruptcies, a

Volcker Pushed for August Rate Cut

By John M. Berry

WASHINGTON — Surprising even some of his colleagues, the chairman of the Federal Reserve Board, Paul A. Volcker, initiated last month's action to cut the central bank's benchmark discount rate to 5.5 percent, according to sources close to the board. The reduction, from 6 percent, was the fourth half-percentage-point cut this year. Prior to the discount-rate cut, Fed sources said, Mr. Volcker was out of patience and annoyed with the outspoken refusal of West German government and central bank officials to take steps to stimulate their economy. Japanese officials had been more polite, but just as adamant. Mr. Volcker, the sources said, intended the cut to be a forceful reminder to West Germany and Japan of the alternative to faster growth abroad: a further increase in the value of the yen and mark and a greater squeeze on the two countries' exports. "I think Paul wanted to make more of a splash on this," said a senior Fed official. "International considerations were behind it, even though they were not mentioned in the official announcement. It was almost a win-win situation. It would increase pressure for stimulus abroad, while the domestic economy was weak enough that it would not be inflationary." The cut in the discount rate, the rate from which all other U.S. interest rates are scaled upward, was also decided on despite continued rapid growth in the most closely watched measure of the money supply, M-1. Analysts said the latest cut suggests that the Fed has stopped trying to control the explosive growth of M-1, the narrowest measure of the U.S. money supply, and instead is manipulating short-term interest rates to influence economic activity and inflation. Some senior officials say the primary goal of Fed policy is to avoid a recession that might lead to a wave of business bankruptcies, a

Interest Rates

Table showing various interest rates for different periods and currencies.

Key Money Rates

Table showing key money rates for different currencies and periods.

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Key Money Rates. Table with columns for currency, class, and price. Includes information about interest rates and exchange rates.

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Source: Reuters, Bank of Tokyo, Commodity, CIBL, Reuters.

Source: Reuters.

Source: Reuters.

Source: Reuters.



BUSINESS ROUNDUP

Renault Expects Profit by End-1987

PARIS — Renault, the French government-owned automaker, expects to return to profitability at the end of 1987 after further reducing its loss this year, according to its chairman, Georges Besse. In an interview published Monday in Le Monde, Mr. Besse predicted that the group would cut its consolidated net loss to between 5 billion and 6 billion francs (\$743 million and \$892 million) this year from 10.93 billion francs last year. "With a positive operating balance sheet, we will effectively be breaking even at the end of next year," he added. The Renault group expects to stabilize its debt this year at around last year's level of 62 billion francs. Debt had risen steadily for a decade. Mr. Besse said the debt should decline next year because of an operating profit and also as a result of funds coming from the state. Renault has swung back to an operating profit this year after running an operating loss of 4.4 billion francs last year. Mr. Besse said that while this operating profit was sufficient to cover investments amounting to 6 billion francs this year and between 6 billion and 7 billion francs in 1987, it was not covering debt repayments, although this should be the case by the end of next year. Renault expects to raise its share of the French new car market to 31 percent this year from 28.5 percent in 1985. In the whole of Western Europe it expects its share to be around 11 percent this year and next, the chairman said. Mr. Besse said the Renault work force, which is to be cut to 76,000 at the end of this year from 85,000 last year, should decrease further as productivity rises. Mr. Besse asserted that recent losses at American Motors Corp., which is 46-percent owned by Renault, were far from being the main cause of losses at the Renault group. He said it would be suicidal for Renault to become a purely French constructor. Renault has come under criticism for continuing to back the cash needs of AMC, which reported a loss of \$125.3 million in 1985 and expects to be unprofitable through 1987.

Valeo Planning To Issue Shares

PARIS — Valeo, the French vehicle-components maker, said Monday that it will issue shares with warrants, on the basis of one new share for each four held, priced at 475 francs (\$71) a share. Each new share offered will carry two "A" warrants and one "B" warrant. "A" warrants may be exercised between Jan. 1 and Nov. 30 next year. "B" warrants may be exercised between Jan. 1 next year and Nov. 30, 1988. The issue is expected to raise Valeo's nominal capital to 726.8 million francs from 581.46 million francs.

Allied-Signal Merges Units, Hires LTV's President

By Calvin Sims NEW YORK Times Service NEW YORK — Continuing its recent emphasis on high-technology operations, Allied-Signal Inc. has announced that it will consolidate its aerospace and electronics businesses in a single unit. Robert L. Kirk, currently president and chief operating officer of LTV Corp., will head the new enterprise as president and chief executive. The unit, Aerospace & Electronics Co., will encompass Allied-Signal's Bendix Aerospace, Garrett Corp. and the electronics and instrumentation division. It will have its headquarters in Washington, D.C., and account for about half of the parent company's \$12 billion in annual revenues, a spokesman said Sunday. Allied-Signal, based in Morristown, New Jersey, recently spun off 35 businesses as Henley Group Inc. in order to focus on high-technology markets. It also sold a half interest in its oil and gas operations. The shift in corporate strategies has left investors uncertain about the company's direction, analysts said, a confusion that may have held back Allied's stock. The company has also been repurchasing its shares in an effort to increase the stock's price, the analysts noted. The stock closed Monday on the New York Stock Exchange at \$40.38, down 38 cents, more than \$9 below its 52-week high. Edward L. Hennessy Jr., chairman of Allied-Signal, said that Mr. Kirk was "particularly well suited to lead our efforts" in the aerospace and electronics fields. Mr. Kirk, 57, only recently became president and chief executive of LTV, promoted in June to help remedy LTV's string of losses from its faltering steel and energy units. He had been president and chief executive of LTV Aerospace & Defense Co. In July, LTV filed for protection from its creditors under Chapter 11 of U.S. bankruptcy laws. [An LTV spokesman said Mr. Kirk would not be replaced. The Associated Press reported from New York. LTV also announced that LTV Aerospace, which has had four divisions, was being restructured into two groups, LTV

Missiles & Electronics Group, and LTV Aircraft Products Group.] When Mr. Kirk assumes his new duties on Nov. 1, he will report directly to Mr. Hennessy. Reporting to Mr. Kirk will be William C. Purple, president of Bendix Aerospace, which is based in Arlington, Virginia; Roy H. Ekron, president of Los Angeles-based Garrett, and Gerard L. Seelig, president of the electronics and instrumentation division, based in Morristown. Mr. Kirk has held management positions with ITT Corp., Litton Industries Inc. and Rockwell International Corp. He is a member of the Defense Policy Advisory Committee on Trade of the Department of Defense and is chairman of the Aerospace Industries Association.

Floating-Rate Notes

Table with columns for currency (Dollars, Pounds Sterling, Deutsche Marks, E.C.U., Japanese Yen) and various floating rate notes with their respective rates and maturities.

COMPANY NOTES

American Airlines Inc. plans to begin nonstop service between Dallas-Fort Worth and Japan in mid-April of 1987. The Dallas-based carrier will operate six weekly nonstop flights using two special-performance Boeing 747s. Only four years ago, Allied-Signal called itself a "diversified manufacturer" because of its concentration on plastics, fibers, and oil and gas, in addition to making electronics and electrical devices. But Allied-Signal — formed through the merger of Signal Cos. into Allied Corp. last year — now calls itself "an advanced technology company." Besides aerospace electronics, the company specializes in making automotive components and engineered materials.

COMMODITIES

Trading Floor's Frantic Scenes Are Essential, Exchange Says By Paul A. Driscoll The Associated Press CHICAGO — For most outsiders, the futures market in the United States is the occasional few seconds of television footage showing traders yelling in each others' faces and frantically signaling buy and sell orders. For some viewers this is a picture of sheer greed, of high-stakes gambling or crafty manipulation of the cattle, gold, oil or other market underlying the futures contract. Recently, the Chicago Board of Trade commissioned a study with the foregone conclusion that the scene witnessed by the TV viewer is just what futures exchanges want, exactly what makes the markets work, what creates their social usefulness. Morton H. Miller, a professor of economics at the University of Chicago's graduate school of business, put together the study and presented it last week at the ninth annual conference of the American Commodity Law Institute. The Board of Trade's "members and officers already knew that the competitive, open-outcry futures market was among the most liquid and efficient market-making arrangements ever devised," Mr. Miller said. He added that the Chicago Mercantile Exchange was aware of this, as were its customers and "almost everyone else directly or indirectly involved." But he insisted, the popular press tends to retail a "blatant 'den-of-thieves' image" of the market that even finds its way into the inner chambers of the Commodity Futures Trading Commission. The commission and the major futures exchanges disagreed sharply earlier this year over proposals to

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 26 Sept. 1986

Large table listing various international funds with columns for fund name, share price, and other financial data.

COMMODITIES

Trading Floor's Frantic Scenes Are Essential, Exchange Says

more finely account for trading by recording the times of each trade. The commission said that its proposed method was needed to detect possible abuse; the exchanges argued that the added paperwork would impede the open-outcry system that provides the sought-after liquidity. The issue has not been resolved, but both sides say they are working toward a compromise. This quality of liquidity means that the mob of traders shouting their willingness to buy or sell at specific prices creates a market in which the largest orders can be filled almost instantly and with little change in price. This "immediacy is the name of the game," said Mr. Miller, the professor who assembled the study. It gives investors in futures the confidence that at any time they can take a profit or cut their losses; at any point they can get in or out of the market. But if this system is so efficient, he asked rhetorically, why is it not used on the New York Stock Exchange or on stock markets outside the United States. "It hasn't spread there because the demand for immediacy isn't large enough or sustained enough to support the continuous presence of a competitive industry of market makers in a particular stock," Mr. Miller said. The challenge from the commodities commission to have futures traders manually record the timing of each trade was the reason the Board of Trade commissioned the study of liquidity, Mr. Miller said. "Why risk the market's liquidity, the feature that justifies its very existence, just for the vague hope of improving public confidence in the markets?" he asked.

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CURRENCY MARKETS

Dollar, British Pound Lose Ground

NEW YORK — The dollar dropped more than 3 pence in U.S. trading Monday and the British pound fell to a record low in Europe after major industrialized nations failed over the weekend to reach agreement on coordinating interest rates and currency values.

London-based analyst said. In New York, the U.S. currency fell to 2.0190 Deutsche marks from 2.0530 there on Friday; to 153.55 yen from 154.65; to 6.6125 French francs from 6.7255, and to 1.6378 Swiss francs from 1.6668.

economist at James Capel & Co. in London, said the result of the weekend monetary talks in Washington showed clearly that West Germany was not prepared to trade off an interest-rate cut for a U.S. pledge to stabilize the dollar.

London Dollar Rates

Table with columns: Currency, Bid, Offer, Source: Reuters

currency, but was unable to stop the decline. The central bank's inability to reverse the trend made an early increase in U.K. base lending rates likely, possibly by 2 points, to 12 percent, they said.

THE EUROMARKETS

Lack of G-5 Pact on Rates Pulls Down Prices

By Christopher Pizzey
LONDON — The Eurobond market ended lower Monday, with prices falling in reaction to the lack of an interest-rate accord at the Group of Five meeting in Washington during the weekend, dealers said.

on a trade-weighted basis at 68.2, he noted. Another dealer said that there was heavy professional selling throughout much of the day. He noted that a 10 1/2-percent issue for the European Investment Bank due 1996 ended just over 2 points lower at a middle price of 93, giving a yield to maturity of what he called "an astonishing 11 1/4 percent."

demand, new-issue activity was negligible, dealers said. Only two issues were launched in London, the first being a 570-million equity-warrants bond issue for Ishihara Sangyo Kaisha Ltd., the Japanese chemical company.

VOLCKER: Urged Rate Cut

(Continued from first finance page)
according to several Fed officials. "It was always premature to draw long-term conclusions" from the unprecedented developments in March, says one senior official.

Egyptians, Rich and Poor, Feel the Pinch of Reduced Imports, Subsidies

By Dalia Baligh
CAIRO — For the first time in recent memory, a financial austerity program is making all Egyptians — from the richest to the poorest — feel the bite from reductions in subsidies and imports.

Fund, the belt-tightening is designed to appease Egypt's creditors and retain its creditworthiness. A subsidy program that once cost several billion dollars annually will gradually be reduced by raising the price of water, electricity, gasoline and public transportation.

conserve Egypt's meager foreign exchange reserves. They banned luxury goods and other items that have a locally made counterpart, even if this is of poorer quality.

Most experts blame Egypt's economic crisis on declines in its main sources of foreign currency: tourism, a victim of Middle East events; oil exports, money sent home by expatriates and Suez Canal tolls, all affected by the collapse of oil prices.

1977, riots that left 79 persons dead forced a rollback. This time, even the rich are complaining because the import ban includes furniture, color televisions, videotape players, fresh fruit and vegetables, meat and poultry, spices, chocolates, cigarettes, clothing, toys and electrical appliances.

Several months ago, subsidized sugar suddenly doubled to 15 piasters per kilogram (2.2 pounds). It cost 80 piasters a kilogram at regular shops when the government stores ran out.

At the exchange rate in effect at the end of June 1985, that came to \$2.43 billion. But because the mark has greatly strengthened against the dollar, sales in the latest year would be equivalent to about \$3.7 billion. And recent acquisitions will lift sales to about the \$5-billion range, pushing Bertelsmann past Capital Cities-ABC Inc. and CBS Inc. to become world leader in activities related to publishing and broadcasting industries.

"I couldn't be happier with the cooperation I have received," Mr. Johnson said in an interview. "I am happy that Volcker sees happily working with me and the others. I think we have developed a good deal of trust. We have no interest in personal issues."

Monday's OTC Prices

Table with columns: High, Low, Stock, Div. Yld., 100 High, Low, 4 P.M. Chg.

Monday's AMEX Closing

Table with columns: High, Low, Stock, Div. Yld., PE, 100 High, Low, 4 P.M. Chg.

Table with columns: High, Low, Stock, Div. Yld., 100 High, Low, 4 P.M. Chg.

Table with columns: High, Low, Stock, Div. Yld., 100 High, Low, 4 P.M. Chg.

Table with columns: High, Low, Stock, Div. Yld., 100 High, Low, 4 P.M. Chg.

Table with columns: High, Low, Stock, Div. Yld., 100 High, Low, 4 P.M. Chg.

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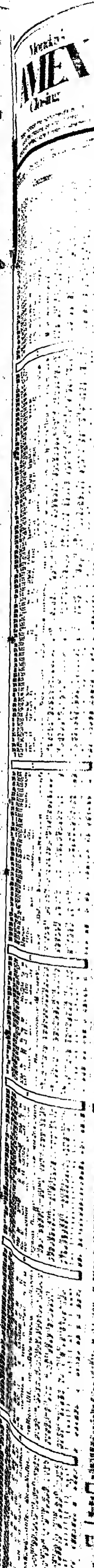
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Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Main financial table containing AMEX closing prices, market data, and various stock listings.

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ART BUCHWALD

Equal Tests Under Law

WASHINGTON — It all started when someone got the idea to test horses for drugs. Then somebody else said, "As long as we're doing it for horses, why don't we test football players?"

President Reagan declared that everybody in Nicaragua had to be tested by the Contras, who had already been tested by the CIA.

There was hell to pay when the White House leaked a story that all heads of state would have to take a drug test before they met with the president.

To show there was nothing to it, President Reagan took a test. As everyone suspected, the president passed with flying colors, and Nancy was shown giving him a kiss when the results were announced.

Drug screening became the most serious obstacle to foreign relations. One of the big stumbling blocks to holding a summit concerned the question whether Gorbachev would take a drug test.

The Soviets insisted that President Reagan had to take their word that Gorbachev was not on dope. The Americans held out for on-site inspection.

Not only the White House but other branches of government are now insisting on checks for drug use. Congressional candidates are filming commercials holding up the results of their tests on television and demanding that their opponents do the same.

A suggestion to have the members of the Supreme Court take a test before deciding a case was greeted with stony silence by the court.

I do not wish to give the impression that everyone in Washington is being checked on a regular basis. Many of us are just being subjected to random testing when we are in a public place.

'Hands' to Give \$15 Million

LOS ANGELES — Almost \$15 million raised during the Hands Across America project is ready to be distributed to the needy for food and shelter, leaders of the event said in a statement filed with Los Angeles Department of Social Services.

The Princess of Oudh Is Still Not Satisfied

After 10 Years in a Railroad Station, She Has Bats in Her 'New' Palace And, Anyway, India Wants It Back

By Elisabeth Bumiller

NEW DELHI — The princess of the long-extinct Indian kingdom of Oudh has had a very bad first year in her new "palace."

The women's children say that the government of India should be ashamed for giving her a home in such disgusting condition. To make sure a visitor understands how unhappy they all are, the royal family's 24-year-old son, Prince Ali Raza, orders a servant to job a stick toward the ceiling in the dimly-lit main room.

Princess Wilayat Mahal, the Begum of the Royal House of Oudh, has for years been one of the more bizarre characters in India. For a decade, until she was evicted last May, she lived with her children and a dozen dogs in the New Delhi train station.

She particularly is seeking the return of the family palace in Lucknow, currently used as a pharmaceutical research center. Other property of the family is used by the government for libraries, courts and galleries.

The begum comes from a family of Shiite Moslems whose women were especially fierce in standing up to the British.

These days, she wears a regal black gown and cape, and her haggard face looks older than her 56 years. She has difficulty talking because of what her children say is a jaw injury.

It was no less than then-Prime Minister Indira Gandhi who, after being told about the begum during a visit to the train station in 1984, ordered the then-home minister to find her a more suitable residence. A team was sent out to inspect possible homes.

Although the monument is only a five-minute drive from some Delhi's luxury hotels, it is a journey that takes you back several centuries. First there is a winding drive through heavy underbrush to a sign that reads "Entrance Strictly Forbidden — The Raj House of Oudh."



The princess (rear) with her son and daughter.

the cause of death was "sadness." A few potted plants are scattered around. Bat droppings fall periodically from the ceiling, and a Doberman snarls in a corner.

Princess Sakena says the family survives by selling off its little remaining jewelry and rugs. The prince and begum say that as royalty, they must never work. "It is better to be in the grip of death rather than in the grip of a job," says the prince.

in her quest for a home. "It was all Queen Victoria's fault," she has said. Which historians say may indeed be the case. At the time of Victoria's reign in the mid-19th century, India was a patchwork of hundreds of princely kingdoms run by maharajahs and nawabs.

But in 1856, the British annexed Oudh directly to the crown, complaining that the Nawab Wajid Ali Shah, the begum's grandfather, was more interested in producing revenue than in producing revenue. The nawab pleaded with the British but they refused to listen.

The Indian government has never disputed the begum's claim. Railway officials say she lived in Pakistan until her husband died, and then came to India with her children sometime in the 1960s. The former Prime Minister Jawaharlal Nehru gave the family a house in Kashmir, railway officials say, but it burned down in 1971.

At Malcha Mahal she remains, for now, pressing her case as the seasons pass. "The only weapon we have is our character," says the prince. "Suffering is a natural lesson to us. We won't give up easy."

PEOPLE

Sinatra's 'Supermarket of Dreams' Wows Milan

Frank Sinatra, singing in the land of his parents for the first time in 24 years, carried his audience on a nostalgic trip through an American "supermarket of dreams."

Organizers of Classic Aid, a classical counterpart to Band Aid, said Monday that they hope that around 350 million television viewers worldwide will see the huge concert. They said the concert in Geneva on Tuesday evening is expected to raise \$1.8 million to \$2.5 million for refugees. Organized by the UN High Commissioner for Refugees, artists performing in Geneva are to include the cellist Yo-Yo Ma, the pianist Krystian Zmuda, and the violinist Isaac Stern.

Nicole Niguelle, a 30-year-old schoolteacher, completed a two-week course and has become the first Swiss woman to get a diploma as a mountain guide, the Swiss Federation of Mountain Guides said.

The Spanish film "La Mitad del Cielo" (Half of Heaven), directed by Manuel Gutierrez, won the top prize at the San Sebastian film festival. Its star, Angela Molina, took the best actress award for her role as a woman who marries against the will of her family and who widowed is forced to bring up her daughter alone. The best actor prize went to Mexico's Ernesto Gomez Cruz for "El Imperio de la Fortuna" (Fortune's Empire). Austria's Axel Corntz was named best director for his film "Welcome in Vienna."

INTERNATIONAL CLASSIFIED

Real estate listings for Paris and surrounding areas. Includes sections for 'REAL ESTATE FOR SALE', 'REAL ESTATE TO RENT/SHARE', and 'REAL ESTATE TO RENT/SHARE'. Listings include addresses, prices, and descriptions of properties.

International Business Message Center

Business opportunities and services. Includes sections for 'BUSINESS OPPORTUNITIES', 'OFFICE SERVICES', 'FINANCIAL INVESTMENTS', and 'DIAMONDS'. Listings include descriptions of services, contact information, and prices.

International Secretarial Positions. A large section listing various secretarial and administrative roles. Includes sections for 'SECRETARIAL POSITIONS AVAILABLE', 'BILINGUAL SECRETARY', 'SHORTHAND TYPIST', and 'OFFSHORE & UK LTD COMPANIES'. Each listing includes details about the position, location, and contact information.

ANNOUNCEMENTS, MOVING, PERSONALS, and other classified ads. Includes sections for 'ANNOUNCEMENTS', 'MOVING', 'PERSONALS', 'GIVE SOMEONE an original time', and 'MOVING'. Each section contains various short notices and advertisements.

HEALTH SERVICES, WORLD RENOWNED CLINIC CECIL, ACCESS VOYAGES, and other classified ads. Includes sections for 'HEALTH SERVICES', 'WORLD RENOWNED CLINIC CECIL', 'ACCESS VOYAGES', 'HOTELS', 'COLLEGES & UNIVERSITIES', and 'LEGAL SERVICES'. Each section contains advertisements for various services and institutions.

